

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BELGRA 03811 011600Z

42

ACTION EUR-25

INFO OCT-01 ISO-00 AGR-20 EB-11 PM-07 NSC-07 SP-03 SS-20

RSC-01 CIAE-00 DODE-00 INR-11 NSAE-00 PA-04 USIA-15

PRS-01 SAJ-01 NIC-01 DRC-01 OMB-01 TRSE-00 /130 W

----- 066346

R 011451Z AUG 74

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 0157

INFO AMEMBASSY MOSCOW

AMCONSUL ZAGREB

LIMITED OFFICIAL USE BELGRADE 3811

E.O. 11652: N/A

TAGS: EAGR, YO

SUBJECT: YUGOSLAV OFFICIAL ATTITUDE TOWARD COLLECTIVIZATION OF  
AGRICULTURE

REF: STATE 163310

SUMMARY. YUGOSLAV OFFICIAL AGRICULTURAL POLICY CONTINUES TO SUPPORT DEVELOPMENTN OF BOTH SELF-MANAGED SOCIALIZED ENTERPRISES AND OF PRIVATE FARMS, WITH LATTER TO BENEFIT SIGNIFICANTLY FROM "GREEN PLAN" FOR AGRUCULTURAL INVESTMENT. SMALL PRIVATE FARMS ARE URGED TO INCREASE LAGGING EFFEICIENCY THROUGH VARIOUS FORMS OF COOPERATION WITH SOCIALIZED SECTOR, BUT THERE ARE NO INDICATIONS OF RETURN TO LONGDISCREDITIED POLICY OF PRUESSURE TO COLLECTIVIZE. PROPORTION OF LAND IN PRIVATE HANDS - 35 PERCENT - IS DOWN ONLY 1 PERCENT IN RECENT YEARS. END SUMMARY.

1. NEW YUGOSLAV CONSITTUTION, RESOLUTIONS OF THIS YEAR'S TENTH PARTY CONGRESS, TWO MAJOR RECENT ADDRESSES ON AGRICULTURE BY EDVARD KARDELJ, AND 1973 BASIC PRINCIPLES ON EXPANDING AGRICULTURAL PRODUCTION (GREEN PLAN) CLEARLY INDICATE ABASENCE OF ANY BASIS SHIFT IN POLICY TOWARD PRIVATE FARMERS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BELGRA 03811 011600Z

2. CONSTITUTION OF FEBRUARY 1974 REITERATES GUARANTEE OF RIGHT

TO PRIVATE OWNERSHIP OF ARABLE AGRICULTURAL LAND UP TO MAXIMUM OF TEN HECTARES PER HOUSEHOLD. MOREOVER, UNLIKE PREVIOUS CONSTITUTION, IT PROVIDES THAT IN HILLY OR MOUNTAINOUS AREAS, LAND OWNERSHIP MAY EXCEED TEN HECTARES. FARMERS HAVE FREE CHOICE TO PRODUCE ON THEIR OWN, POOL RESOURCES WITH OTHER FARMERS OR WITH COOPERATIVES WHILE RETAINING RIGHT OF OWNERSHIP, OR JOIN SOCIALIZED ENTERPRISES.

3. TENTH PARTY CONGRESS RESOLUTIONS EMPHASIZE CALL FOR DEVELOPMENT OF SELF-MANAGED SOCIALIZED AGRICULTURAL ENTERPRISES, AND URGE PRIVATE FARMERS TO OVERCOME HANDICAPS OF SMALL-SCALE PRODUCTION THROUGH COOPERATION WITH SUCH ENTERPRISES IN A VARIETY OF FORMS RANGING UP TO FULL ASSOCIATION. RESOLUTIONS SPECIFICALLY RECOGNIZE, HOWEVER, THAT PRIVATE FARMERS WHO ARE NOT ABLE TO COOPERATE SHOULD STILL BE GIVEN OPPORTUNITY TO EARN HIGHER INCOME AND STANDARD OF LIVING.

4. IN SPEECHES ON AGRICULTURAL POLICY MARCH 22 AND JUNE 15, MEMBER OF LCY PRESIDUM AND SFRY PRESIDENCY EDVARD KARDELJ WARNED AGAINST ANY "CONFRONTATION" BETWEEN SOCIALIZED AGRICULTURE AND PRIVATE FARMERS. TO THE COUNTY, HE SAID, BOTH SECTORS MUST BE DEVELOPED AND MUST COOPERATE. KARDELJ REITERATED DOGMA - LONG ESPOUSED IN YUGOSLAVIA - THAT EVENTUAL TRANSITION TO SOCIALIZED INDUSTRIALIZED AGRICULTURAL PRODUCTION IS INEVITABLE. IN MEANTIME, HOWEVER, CONDITIONS EXIST FOR RELATIVELY PRODUCTIVE WORK ON PRIVATE HOLDINGS, IN COOPERATION WITH SOCIALIZED SECTOR.

5. INTER-REPUBLICAN AGREEMENT OF JULY 6, 1973 ON EXPANDING AGRICULTURAL PRODUCTION ("GREEN PLAN") PROVIDES FOR ANNUAL MINIMUM INVESTMENT (THROUGH 1975) OF TWO BILLION DINARS IN SOCIALIZED ENTERPRISES, AND 2.2 BILLION DINARS (ABOUT 150 MILLION DOLLARS) FOR DEVELOPMENT OF PRIVATELY-OWNED FARMS, THROUGH MECHANIZATION, PROMOTION OF CATTLE BREEDING, ETC. SOURCES OF FUNDS ARE REPUBLICAN AND PROVINCIAL GOVERNMENTS, COMMERCIAL BANK CREDITS AND WORLD BANK CREDIT OF 60 MILLION DOLLARS. REALIZATION OF GREEN PLAN IS SOMEWHAT BEHIND SCHEDULE, BUT WILL REPORTEDLY BE SPEEDED WHEN PROCEEDS OF WORLD BANK CREDIT ARE RECEIVED IN 1975.

6. NATIONAL BANK GOVERNOR COLANOVIC TOLD US LAST WEEK THAT GOY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BELGRA 03811 011600Z

CONTINUES TO CONSIDER DEVELOPMENT OF AGRICULTURE PRIORITY NATIONAL TASK, AND THAT IMPORTANT ELEMENT IS RAISING PRODUCTION OF PRIVATE FARMS THROUGH CREDITS AND PRICE INCENTIVES. COLANOVIC EMPHASIZED THAT SOCIALIZED ENTERPRISES CAN USUALLY FIND PLENTY OF UNUSED LAND FOR THEIR EXPANSION PLANS, AND HAVE NO NEED TO MAKE SPECIAL EFFORTS TO INDUCE PRIVATE FARMERS TO JOIN.

7. GOY IS CONTINUING TO DEVOTE INTENSIVE STUDY TO PROBLEM OF

IMPROVING PRIVATE FARM PERFORMANCE. FOR EXAMPLE, DELEGATION LED BY DEPUTY FEDERAL SECRETARY OF AGRICULTURE ZEKI BEJTULAHU VISITED US IN JUNE-JULY 1974 TO STUDY USG POLICY AND PROGRAMS WITH RESPECT TO SMALL FARMS, AND TO OBSERVE SMALL FARM OPERATIONS.

8. IN SUMMARY, THERE IS EVIDENCE OF INCREASING OFFICIAL CONCERN WITH NEED TO OBTAIN BETTER RESULTS FROM PREPONDERANT PRIVATE AGRICULTURAL SECTOR. IT IS REALIZED THAT COUNTRY HAS PRIORITY TASK OF SUBSTANTIALLY RAISING FARM PRODUCTION IN ORDER TO ATTAIN SELF-SUFFICIENCY IN GRAINS AND TO INCREASE EXPORTS OF MEAT, FRUITS, VEGETABLES AND PROCESSED FOOD PRODUCTS. PRIVATE FARMS AVERAGING SIX ACRES IN SIZE AND OPERATED BY AGING POPULATION (WHOSE CHILDREN HAVE LEFT FOR WORK IN YUGOSLAV CITIES OR ABROAD) ARE NOT, UNDER PRESENT CIRCUMSTANCES, MAKING MOST EFFICIENT POSSIBLE CONTRIBUTION TO THESE GOALS. POSSIBILITY OF INCREASE IN PERMISSIBLE SIZE OF PRIVATE FARM LAND HOLDINGS IS SUBJECT OF RECURRENT DISCUSSION, BUT DOES NOT, AT LEAST AT PRESENT, APPEAR TO HAVE REQUIRED POLITICAL SUPPORT.

9. OFFICIAL POLICY THEREFORE CONTINUES TO BE TO ENCOURAGE PRIVATE FARMERS TO COOPERATE WITH SOCIALIZED ENTERPRISES BY OFFERING MATERIAL INDUCEMENTS SUCH AS CONTRACTS AT ATTRACTIVE PRICES, USE OF MACHINERY, AND OPPORTUNITY TO PURCHASE SCARCE FERTILIZER ON CREDIT. NO INDICATION, HOWEVER, THAT PRESSURES TO COLLECTIVIZE ARE OR WILL BE EXERTED. AFTER VERY UNFORTUNATE EXPERIENCE WITH POST-WAR COLLECTIVIZATION DRIVE, IT IS DOUBTFUL THAT GOY WOULD CHOOSE THIS ROUTE AGAIN.

10. PROPORTION OF FARM LAND IN PRIVATE HANDS IS NOW 85 PERCENT - DOWN ONLY MINIMALLY FROM 86 PERCENT OF SEVERAL YEARS AGO. IT IS QUITE LIKELY, HOWEVER, THAT THIS PERCENTAGE WILL DECLINE SOMEWHAT IN NEXT FEW YEARS. ALTHOUGH MANY PRIVATE FARMERS ARE COVERED UNDER CONTRACTS CONCLUDED LAST YEAR, THERE WILL UNDOUBTEDLY BE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 BELGRA 03811 011600Z

SOME HARDSHIPS AS A RESULT OF EEC BAN ON BEEF IMPORTS THIS YEAR, AND SOME MAY SELL OUT AS RESULT. OLDER FARMERS MAY BE ATTRACTED BY PENSION OFFERS BEING MADE TO THOSE WHO TURN OVER LAND TO SOCIALIZED ENTERPRISES.

11. ONE WAY OF RECONCILING TRADITIONAL STRONG DESIRE FOR INDENPENDENCE OF YUGOSLAV FARMER WITH NEED FOR LARGE-SCALE PRODUCTION WOULD BE DEVELOPMENT OF "ZADRUGA" CONCEPT OF INFORMAL COOPERATION IN MARKETING, MACHINERY USE AND FERTILIZER AMONG TWO OR MORE PRIVATE FARMERS. THIS CONCEPT IS RECEIVING MILD GOVERNMENT ENCOURAGEMENT.

12. WE HAVE READ ARTICLE IN NYT CITED IN REFTEL. AS ABOVE SHOWS, WE CAN ONLY CONCLUDE IT WAS TENDENTIOUS WRITING BY SOMEONE COMPLETELY UNFAMILIAR WITH, AND EVEN HOSTILE TO, YUGOSLAVIA.

TOON

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGRICULTURAL PRODUCTION, AGRICULTURAL POLICIES, AGRICULTURAL FINANCE, FARMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BELGRA03811  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740209-1267  
**From:** BELGRADE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740883/aaaactqc.tel  
**Line Count:** 170  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 163310  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 JUN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <10 JUN 2002 by cunninfx>; APPROVED <25 FEB 2003 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** YUGOSLAV OFFICIAL ATTITUDE TOWARD COLLECTIVIZATION OF AGRICULTURE  
**TAGS:** EAGR, YO  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005